



CALIFORNIA TRANSPORTATION COMMISSION

Adoption of Program of Projects for the Trade Corridors Improvement Fund (TCIF) April 10, 2008

RESOLUTION TCIF-P-0708-01

- 1.1 WHEREAS the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 was approved by voters as Proposition 1B on November 7, 2006, and
- 1.2 WHEREAS the Bond Act provides that \$2 billion shall be transferred to the Trade Corridors Improvement Fund (TCIF) for allocation by the California Transportation Commission, upon appropriation in the annual Budget Bill by the Legislature, for infrastructure improvements along corridors that have a high volume of freight movement, and
- 1.3 WHEREAS the TCIF program is subject to the provisions of Government Code Section 8879.23(c)(1), as added by Proposition 1B, and to Section 8879.50, as enacted through implementing legislation in 2007 (SB 88 and AB 193) designating the Commission as the administrative agency responsible for programming TCIF and the agency authorized to adopt guidelines for the program, and
- 1.4 WHEREAS the Bond Act provides that eligible projects for the TCIF include, but are not limited to all the following:
 - a) highway capacity improvements and operational improvements;
 - b) freight rail system improvements;
 - c) enhancements to the capacity and efficiency of ports;
 - d) truck corridor improvements;
 - e) border access improvements;
 - f) surface transportation improvements to and from airports,and

- 1.5 WHEREAS the Bond Act mandates that the Commission shall allocate TCIF for trade infrastructure improvements in a manner that:
- a) addresses the state's most urgent needs;
 - b) balances the demands of various ports;
 - c) provides reasonable geographic balance between regions; and
 - d) places emphasis on projects that improve trade corridor mobility while reducing emissions of diesel particulate and other pollutant emissions,
- and
- 1.6 WHEREAS the Bond Act also mandates the Commission shall also consider the following factors when allocating the TCIF:
- a) Velocity: the speed by which large cargo would travel from the port through the distribution system;
 - b) Throughput: the volume of cargo that would move from the port through the distribution system;
 - c) Reliability: a reasonably consistent and predictable cargo travel time between points on any given day or time;
 - d) Congestion reduction: the reduction in recurrent daily hours of delay to be achieved,
- and
- 1.7 WHEREAS the Bond Act further mandates that the Commission allocates TCIF to projects that have identified and committed supplemental funding from appropriate local, federal, or private sources. The Bond Act also mandates that except for border access improvements, projects funded from the TCIF shall have supplemental funding that is at least equal to the amount of the contribution from the fund, and
- 1.8 WHEREAS the Commission recognizes that statewide goods movement needs far exceed the amount authorized by the Bond Act, and that other sources of funding should be explored for meeting these needs, and
- 1.9 WHEREAS the Commission supported the funding strategies proposed by the Business, Transportation and Housing Agency, the Department of Transportation, and the corridor agencies to increase TCIF funding by approximately \$500 million from the State Highway Account (SHA) to fund state-level priorities that are critical to goods movement, and
- 1.10 WHEREAS the Commission agreed with the Department of Transportation's proposal that SHA funds not be subject to the 1:1 match mandated by the Bond Act, and
- 1.11 WHEREAS the Commission anticipated over-programming beyond that of the resulting TCIF and SHA funds, with the assumption that new revenue sources

(e.g. additional federal funding, user fees, tolls, etc.) will become available and will be dedicated to funding the adopted TCIF program, and

- 1.12 WHEREAS the Commission required that the inclusion of each of the projects is based on a demonstration that the project, among other factors, can commence construction no later than December 31, 2013, and
- 1.13 WHEREAS the Commission adopted the TCIF program guidelines on November 27, 2007, that identified the Commission's policy and expectations for the TCIF program, and
- 1.14 WHEREAS the Commission received 84 nominations consisting of 107 individual projects, requesting approximately \$4.1 billion of TCIF funding, by the deadline of January 17, 2008, and
- 1.15 WHEREAS Commission Staff, in developing the initial program recommendations, took into consideration the methods by which corridor agencies had determined the relative priority of their nominations, and
- 1.16 WHEREAS Commission Staff prepared initial program recommendations that included 79 individual projects with an approximate request for \$3.088 billion, and
- 1.17 WHEREAS the Commission held a public hearing on March 12, 2008, to hear the Commission Staff's initial program recommendations, and
- 1.18 WHEREAS the Commission received further comment and testimony at and preceding its April 2008 meeting, and
- 1.19 WHEREAS the Bond Act requires that the Commission makes certain findings in adopting the TCIF program,
- 2.1 NOW THEREFORE BE IT RESOLVED that the Commission adopts the program of projects for TCIF funding as presented by Commission Staff on April 10, 2008, which proposes to invest \$3.088 billion on 79 projects. The total value of these projects is estimated at approximately \$8.430 billion resulting in an average match of 1.7 to 1.0, and
- 2.2 BE IT FURTHER RESOLVED the Commission finds that projects in the TCIF program include, but are not limited to, the following:
 - a) highway capacity improvements and operational improvements;
 - b) freight rail system improvements;
 - c) enhancements to the capacity and efficiency of ports;
 - d) truck corridor improvement;
 - e) border access improvements;

- f) surface transportation improvements to and from airports,
and
- 2.3 BE IT FURTHER RESOLVED that the Commission finds that the TCIF program:
 - a) addresses the state's most urgent needs;
 - b) balances the demands of various ports;
 - c) provides reasonable geographic balance between regions; and
 - d) places emphasis on projects that improve trade corridor mobility while reducing emissions of diesel particulate and other pollutant emissions,
and
- 2.4 BE IT FURTHER RESOLVED that the Commission also finds that the TCIF program considers the following:
 - a) Velocity: the speed by which large cargo would travel from the port through the distribution system;
 - b) Throughput: the volume of cargo that would move from the port through the distribution system;
 - c) Reliability: a reasonably consistent and predictable cargo travel time between points on any given day or time;
 - d) Congestion reduction: the reduction in recurrent daily hours of delay to be achieved,
and
- 2.5 BE IT FURTHER RESOLVED that the Commission's approval of individual project TCIF funding is only for the cost of construction (and construction support) except for the ALA-580 Truck Lane Project which is fully funded from the State Highway Account, and
- 2.6 BE IT FURTHER RESOLVED that the project's approved TCIF funding shall be considered as a "not to exceed amount" and that any increase in cost estimates beyond the levels reflected in the adopted TCIF program are the responsibility of the nominating agency, and
- 2.7 BE IT FURTHER RESOLVED that the Commission expects that the Business, Transportation and Housing Agency, the Department of Transportation and the individual corridor regions will collaborate to pursue additional sources of revenue to fund projects contained in the over-programming, and to identify strategies to backfill State Highway Account monies that are invested in goods movement, and
- 2.8 BE IT FURTHER RESOLVED that the Commission intends to prepare and adopt a fund estimate in the Fall of 2009 that includes all available revenue sources to support the over-programming of the TCIF, and

- 2.9 BE IT FURTHER RESOLVED that the Commission anticipates reviewing the programming and delivery status of all projects in the Spring of 2010, and may adopt amendments to the program to recognize the availability of funds or changes in project delivery, and
- 2.10 BE IT FURTHER RESOLVED that the Commission expects that future program calibrations due to availability of funds or delivery status will be coordinated with corridor programming ranges included in the TCIF program guidelines and the adopted TCIF program, and
- 2.11 BE IT FURTHER RESOLVED that the Commission will amend the TCIF program to delete projects that will be unable to commence construction by December 31, 2013, and
- 2.12 BE IT FURTHER RESOLVED that the Commission requires nominating agencies, no later than its July 2008 meeting (with the exception of grade separation and mainline rail projects where this deadline is extended to the September 2008 meeting), to provide executed project baseline agreements that will set forth the proposed project scope, measurable expected performance benefits, delivery schedule, and the project budget and funding plan. The baseline agreements shall be signed by the Director of the Department of Transportation, the regional agency and nominating agency executive directors, and the CTC executive director, and
- 2.13 BE IT FURTHER RESOLVED that the Commission requires the nominating agency to provide a local board action or resolution that commits the funding identified in the project baseline agreement and funding plan, and
- 2.14 BE IT FURTHER RESOLVED that the Commission requires that the baseline agreements include quantification of projected benefits related to velocity, throughput, reliability, congestion reduction and emissions reduction, and that those benefits are updated and included in the request for TCIF allocations, and
- 2.15 BE IT FURTHER RESOLVED that for investments in rail projects, the Commission requires a memorandum of understanding between the private railroad and the regional agency and/or Caltrans to be in place by the time of execution of the baseline agreement, and
- 2.16 BE IT FURTHER RESOLVED that the Commission requires the memorandum of understanding to include how and when public and private funding would be made available, and what public benefits would be realized as a result of TCIF investments, and
- 2.17 BE IT FURTHER RESOLVED that for grade separation projects the Commission expects that a master agreement or a memorandum of understanding between the railroad and the nominating agency be in place by the time of execution of the baseline agreement. This master agreement shall include as a minimum

agreement in concept to the scope of work, commitments for funding, sequencing of construction operations within a corridor, and overall delivery schedule, and

- 2.18 BE IT FURTHER RESOLVED that for projects involving intermodal facilities and short haul rail proposals that rely on shared-use and access rights to mainline rail facilities, the Commission requires that the memorandum of understanding specifies that such use is authorized and agreements are documented with the railroad(s) and other affected parties, and
- 2.19 BE IT FURTHER RESOLVED that the Commission may delete a project from the adopted TCIF program for which a baseline agreement is not executed by the deadline, and the Commission will not consider approval of project allocations prior to the execution of the baseline agreement, and
- 2.20 BE IT FURTHER RESOLVED that the Commission intends to monitor the outcomes of the environmental process with regard to air quality impacts due to emissions from diesel or other particulates and related mitigation strategies, and that the Commission will only allocate TCIF to projects that can demonstrate compliance with applicable environmental requirements. If environmental clearance is conditioned to the implementation of mitigation measures, the nominating agency must commit, in writing, to the implementation of those mitigation measures, and
- 2.21 BE IT FURTHER RESOLVED that the Commission requires that nominating agencies shall report, on a quarterly basis, on the activities and progress made toward the implementation of the project, including those activities taking place prior to a TCIF allocation and including the commitment status of supplemental funding identified in the baseline agreement, and
- 2.22 BE IT FURTHER RESOLVED that the Commission intends to apply accountability measures established for the Corridor Mobility Improvement Account (CMIA) and State Route 99 (SR99) programs, including but not limited to quarterly progress reports, Delivery Council, corrective plans, program and project amendments, program reports and project audits, and
- 2.23 BE IT FURTHER RESOLVED that the Commission will create a “watch list” for projects that are unable to maintain delivery and cost commitments, and
- 2.24 BE IT FURTHER RESOLVED that the Commission finds that it has the discretion to determine whether a project on the “watch list” would remain in the TCIF program, and
- 2.25 BE IT FURTHER RESOLVED that the Commission directs Staff and nominating agencies to pursue the development of project baseline agreements to present to the Commission at its July or September, 2008 meetings, as appropriate.